

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/1/2013	(3) CONTACT/PHONE Frank Honeycutt, Development Services Manager (805) 781-1596	
(4) SUBJECT Submittal of a resolution to approve Amendment No. 4 to the Development Traffic Fee Agreement with Woodlands Ventures, LLC, dated April 25, 2006, for accelerated payment of South County Road Improvement Area 1 and 2 Fees for the Woodlands Development Project in Nipomo. District 4.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board adopt the resolution and direct the Chairman to sign the Amendment No. 4 to Development Traffic Fee Agreement with Woodlands Ventures, LLC.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 9/4/12; Item #1	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 4 -			

Reference: 13OCT01-C-4

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Frank Honeycutt, Development Services Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 10/1/2013

SUBJECT: Submittal of a resolution to approve Amendment No. 4 to the Development Traffic Fee Agreement with Woodlands Ventures, LLC, dated April 25, 2006, for accelerated payment of South County Road Improvement Area 1 and 2 Fees for the Woodlands Development Project in Nipomo. District 4.

RECOMMENDATION

It is our recommendation that your Honorable Board adopt the resolution and direct the Chairman to sign the Amendment No. 4 to Development Traffic Fee Agreement with Woodlands Ventures, LLC.

DISCUSSION

On April 25, 2006, your Board signed the original Development Traffic Fee Agreement with Woodlands Ventures, LLC for the Accelerated Payment of South County Road Improvement Area 1 and 2 Fees for the Woodlands Development Project. The action was taken in support of funding the Willow Road extension project which is a benefit to area residents and serves as mitigation to the Woodlands development.

Since that time, Woodlands Ventures, LLC has been making accelerated payments to the South County Road Improvement Fee (RIF) account. The Woodlands Project has, however, experienced a slowdown in housing sales and in 2008 Woodlands Ventures, LLC requested a revised payment schedule which was adopted by your Board at your November 4, 2008 meeting. That action extended payments one additional year from the original agreement to conclude in August 2012. In August 2011, Woodlands Ventures, LLC requested Amendment No. 2 to the agreement to extend payments into 2014. Your Board approved Amendment No. 2 on August 23, 2011. Woodlands Ventures, LLC requested Amendment No. 3 to further extend payments into the future which your Board approved at your September 4, 2012 meeting.

Woodlands Ventures, LLC has sent a letter, dated May 29, 2013, to our office stating that they will be downsizing the level of development from the approved Specific Plan in the following categories:

1. Commercial Retail will be reduced from 140,000 square feet to a maximum of 75,000 square feet.

2. Commercial Service will be reduced from 735,000 square feet to a maximum of 200,000 square feet.
3. Recreation Residential (Hotel) will be reduced from 500 rooms to a maximum of 300 rooms.

We have reviewed the downsizing request with the Department of Planning and Building who have concurred that this reduction, while significant, is within the minimum allowable range for development under the existing approved Specific Plan. No reconsideration of the plan would be necessary.

To date, Woodlands Ventures, LLC has advanced payments of Road Improvement Fees in the amount of \$14,775,535 under payments defined under the Agreement and its Amendments. As Willow Road Interchange has been completed to provide a proper access route to the development, the County can conclude the advance payments under the agreement.

Our office has prepared the following Amendment No. 4 which would de-obligate Woodlands Ventures, LLC from making additional advance payments; provide for assigned funding credits under the agreement toward future building permits under their project; and provide that once funding credits are expended, subsequent permits will pay the road improvement fees in effect at the time the permits are taken out.

OTHER AGENCY INVOLVEMENT/IMPACT

Planning Department has reviewed the request and concurs that Woodlands LLC may downsize the approved Specific plan commercial development to the requested levels.

County Counsel has reviewed and approved the attached Amendment and Resolution as to legal form and effect.

FINANCIAL CONSIDERATIONS

Woodlands Ventures, LLC has paid \$14,775,535 in fees to date, and would have no remaining payment under the agreement if Amendment No. 4 is approved. The schedule of payments has been:

<u>Payment Date</u>	<u>Amount Due</u>	<u>Status</u>
February 10, 2006	\$ 1,254,073	Paid
April 1, 2006	\$ 1,690,854	Paid
April 1, 2007	\$ 2,500,000	Paid
April 1, 2008	\$ 2,500,000	Paid
August 15, 2009	\$ 2,000,000	Paid
August 15, 2010	\$ 2,000,000	Paid
August 24, 2011	\$ 1,563,820	Paid
September 30, 2012	\$ 1,266,788	Paid
Total Fee:	\$14,775,535	

Of this total, \$448,329 additional fees were paid interest associated with the time extensions provided in Amendments 2 and 3. The financial impact of forgoing future payments is reduction in anticipated revenues of \$2,571,580.

On January 10, 2010, Your Board approved a resolution to loan funds from Nipomo Road Improvement Fee Area 2 to Nipomo Road Improvement Fee Area 1. This loan was needed for cash flow purposes associated with the construction of the Willow Road and Highway 101 Interchange Project. The pay back of these loaned funds is to be completed by end of fiscal year 2015/16.

The reduced anticipated revenue will extend the pay back of loaned funds from the Nipomo Road Improvement Fee Area 2 to Nipomo Road Improvement Area 1 for the construction of the Willow Road Interchange. We anticipate returning to Your Board with a resolution to extend the pay back due date past the end of fiscal year 2015/16, if needed. Repayment of these loaned funds would rely on future development in the Nipomo Road Improvement Fee Area 1 including future development within the Woodlands project that go beyond what is covered in this amendment.

RESULTS

The result of the recommended action before your Board today will conclude an agreement for advancing Road Improvement Fees, which have helped fund the Willow Road Interchange Project and promote a livable and well-governed community.

c: Dan Woodson, Chair of the SCAC Traffic Committee
Dan Garson, Woodlands LLC
Debbie Geaslen, District 4 Legislative Assistant
Jay Johnson, Department of Planning and Building

File: CF 830.110 Transportation Planning - South County

Reference: 13OCT01-C-4

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ATTACHMENTS

1. Vicinity Map
2. May 29, 2013 Letter from Woodlands LLC
3. Amendment No. 4 to Development Traffic Agreement
4. Resolution Approving an Amendment to the Agreement Accelerating Payment of Woodlands LLC Road Improvement Fees